

***COMPETITIVE INTELLIGENCE FOR PRIVATE HIGHER EDUCATION: A
CASE STUDY OF NEW ESTABLISHES COLLEGE***

by

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ABSTRACT

The increasing number of higher education institution (HEI) approved by Ministry of Education is the evidence that shows the nation is in towards as an education hub in Asian region. This move attracts local and international investor to invest in education industry. Either corporate body or current higher institution in public and private do not want to miss out taking advantage out of these opportunities. The objective of this study is to investigate the 'X' Key Intelligence Topics and polish competitive image of the research site. The result from this study contributes to the establishment of Competitive Intelligence model that can be adapted to the institution in finding the right strategies for executing execution.

ABSTRAK

Peningkatan kelulusan penubuhan institusi pengajian tinggi oleh Kementerian Pendidikan Malaysia adalah bukti menunjukkan bahawa Negara sedang menuju ke arah hub pendidikan di rantau Asia. Tindakan ini menarik pelabur dari dalam dan luar Negara untuk melabur di dalam industry pendidikan samada dari badan korporat atau institusi pengajian tinggi awam dan swasta yang sedia ada. Objektif kertas ini adalah bagi mengkaji Kunci 'X' Topik Perisikan dan menggilap imej persaingan bagi tapak kajian. Penemuan kepada kajian ini menyumbang kepada penubuhan model perisikan daya saing yang boleh diguna pakai oleh institusi untuk merancang strategi pelaksanaan yang berkesan.

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DECLARATION

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I hereby declare that this project is the result of my own work, except for quotation and summaries, which have been duly acknowledged.



Signature:

Date: 30 January 2014

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Chapter 1 Introduction

The increasing number of higher education institution (HEI) approved by Ministry of Education is the evidence that show the nations is in its direction towards an education hub in Asian region. This move attracts local and international investor to invest in education industry. Therefore, corporate body or current higher institutions in public and private of this country have made efforts in order benefit from these opportunities. According to Tan and Raman (2009), the intense competition has led private higher education institutions which were lacking the competitive edge to close down.

As everybody sees the same opportunity of the new ways of creating the organization wealth, the competitions in nation's education industry have become very stiff. This has resulted the similarity of product offered in the market, the lack of supply of good academic member of the faculty and the issue of providing good quality of education has become a new challenges for the education operator.

The new roles of education institution for 21st century in promoting innovation have resulted the transformation of educational and research aims. With the expansion of its new role as the generator of economy activity, the education institution becomes more influential in society. Education institution will take the role of industry in transferring technology to infuse existing firms with new life and to help forming new

firm in incubator facilities¹. Therefore, the main concern for the institution is to move to these new missions in creating the context² that will facilitate this move. Adapting to Competitive Intelligence will be very critical for the institution to face the challenges in order to modify their mission that meet current requirement.

Therefore, it is critical for the higher education institution to escape from the competitive herd and establish as well as maintain the sustainable competitive advantage to survive in the world of sameness where conformity reigns but exceptions rule³.

1.1 Overview of institution

Before discussing further about Competitive Intelligence (CI), it would be beneficial to brief a bit of background about research site. Established in 2010, The Higher Education Institution (will be refer as Institution) is a sister college to nations' prime ODL university (will be refer as ODL) with its main objective is to produce quality graduates by using the unique mode of teaching and learning that leverages on ODL vast expertise and proven delivery mechanisms such as Learning materials, E-Learning platform, ICT Infrastructure, Learning Centers and International Partners.

¹ Henry, E. (2013), *The Bi-evolution of the University in the triple Helix Era*. [online] Available at http://www.ie.ufrj.br/eventos/seminarios/pesquisa/a_universidade_e_o_desenvolvimento_regional.pdf.

² Dou, H (2012). *Crisis, innovation and the new role of the universities*. Paper presented at the Franco-Chinese seminar , Paris, May 21-22 Dec, 2012.

³ Moon, Y. (2010). *Different: escaping the competitive herd*. Crown Business, New York: USA

The Institution vision is to be an academic institution of choice with a global perspective that educates leaders of the future. The Institution is here to educate and nurture students, to create knowledge, and to provide service to community and beyond and is committed to excellence and strives to develop future leaders of our nation and the world.

As a newly established institution, the current enrollment as of September 2013 is 69 students in 4 diploma programmes, with about 13 staffs including academician and administrative staff. Therefore, everybody shared a same responsibility in taking the Institution to a higher level. In term of financial, the institution is currently experiencing loss in net profits before tax and is estimated to only hit the breakeven point in the next 3 years. This overview is a clear evidence that the Institution is struggling for its survival. Therefore, the process of making decision is very critical to the decision maker because every move taken will give a big impact on institution direction.

1.2 Background of Study

The rapidly changing global business environment largely requires flexibility on the part of enterprises and management. The nature of competition has shifted with expanding technological innovations leading to shorter product lifecycles. Competitive advantage shifts continuously and the ability of an enterprise to stay ahead depends largely on the interaction and co-operation of people within the enterprise (Carmichael & Rijamampianina, 2006). The advancement of the technology and their application has contributed to the benefit of CI. For example, the integration of knowledge management throughout the organization has helped in raising the

awareness of CI value (Lee & Chang, 2007). The explosion of information can be seen through the availability of public sharing of information on blogs, wikis, text messages, e-mail and other electronic communications, which form the basis for building meaningful CI.

To begin the establishment for the provision of CI, there is a need to identify the competitive intelligence need in the organization to be accounted in setting a planning and direction. Here is where the key Intelligence Topics (KITs) need to be used as a tool to identify the needs for organization. The second step in CI cycle will be the process to acquire the acquisition of CI in the organization. The emergence of internet and online databases offered an almost inexhaustible supply of information (Krippendorff, 2003). This information needs to be organised, stored and available to be retrieved. The expert is required to utilize the information by analysing the information to make the information actionable and understandable. The report then, will be disseminate to the recognize users for the decision making process. This cycle will be continuously practiced in the organization. According to Competitive intelligence Professionals (SCIP), an effective CI process runs in continuous cycle.

In every strategic decision that typically made based on certain assumptions, CI can help the organization to test and validate these assumptions. Therefore, it had been observed that by adopting CI, the organization could have a better understanding towards their environment and support an effective decision making as well as contributing to the nation's wealth.

1.3 Problem Statement

The practice of CI in Malaysia is considered relatively new. Survey conducted by Yap C.S & Md Zabid A.R (2011) on Acquisition and Strategic Use of Competitive Intelligence shows that more than half of survey companies (listed companies) have formal CI unit in their organization. The majority located at either marketing/market research and corporate planning department and only three (3) companies have stand-alone CI unit. From the study, it indicates the frequency of CI usage in Malaysia is the highest in making capacity expansion decision, followed by decision concerning new product or services development, strategic alliance and technology adoption.

Although there has been a marked increase in the number of companies that practice the mechanisms to collect and analyze competition information, a significant number of these companies are struggling with the process (Wright and Calof, 2006).

There are two main reasons for this occurrence. The first is ignorance – many companies simply do not know how to gather and analyse external information properly or effectively. The second reason is arrogance; the confidence in their belief that they are serving customers better than anyone, companies erroneously contend that competitor actions do not matter (Kahaner, 1998).

In order for the field of CI to mature, grow, and be more effective, management has an important role to play. Intelligence analysis across organizations is still not a well-supported corporate function – unless intelligence analysis is recognized as a full partner in strategy development and decision-making, organizations cannot create the

environment in which good analysts can thrive and get the maximum benefit of the function as well (Prescott and Bharadwaj, 1995).

As the competition is becoming intense in the higher education industry, it is therefore critical for the institution to establish and maintain the competitive intelligence in the industry. Therefore this study is to answer the following research question:*How would the organization create and polish competitive intelligence program to support firm decision-making?*

1.4 Objectives of the study

This research study plans to address the following objectives:

- (i) To investigate X's Key Intelligence Topics (KIT).
- (ii) To polish competitive image of the research site.

By fulfilling the above objectives, this research is aim to achieve the development of Competitive Intelligence practice in higher learning institution under their operating environment.

1.5 Significant of study

The findings of this research will provide the HEI a benefit of CI program. In context of understanding, this research will identify which tools and techniques are better suited to their specific types of problem and help to develop the best practice to apply in HEI industry.

1.6 Assumption and limitation of the study

This case study is conducted with an assumption that the respondent will answer only what is required from the interview together with the comments to be provided on the final audit finding presented. Due to sensitivity of intelligence information, and the possible negative implication, the name of research site could not be disclosed. The research site does not hold any merits towards the researcher's academic contribution. The opinion and conclusion expressed in this report are purely of the researcher and do not represent the view of the research site and the staff. The research findings are for educational purpose only.

No different from other piece of research, limitation does exist in this research study. They are listed as follows:

- i) This study will be conducted as a case study, adapting quantitative and qualitative methods due to the small sample size of research and the dependence on participants willingness to provide their feedback,
- ii) Respondents may not have the basic understanding about competitive intelligence.
- iii) CEO of the institution is selected as the respondent for KIT interview in order to gain insight on competitive phenomenon of the institution. This is done based on the suitability of CEO as the top management who sees the organisation as a whole and due to the limited selection of respondents who are able to provide feedback on KIT interview.

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